

Message Text

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C O N F I D E N T I A L NEW DELHI 18081

FOLLOWING TEL CALCUTTA 3111 DTD 15 DEC 76 SENT ACTION
NEW DELHI BEING REPEATED TO YOU. QUOTE

C O N F I D E N T I A L CALCUTTA 3111

E.O. 11652: GDS
TAGS: PINT, IN
SUBJ: POLITICAL SITUATION IN ORISSA

REF: NEW DELHI 17679

1. THE POLITICAL CRISIS IN ORISSA SEEMS TO HAVE REACHED A CLIMAX DURING THE PAST FEW DAYS, AS REPORTS ABOUND THAT MRS. SATPATHY MAY SOON BE REMOVED AS CHIEF MINISTER AND PRESIDENT'S RULE DECLARED. MRS. SATPATHY HERSELF WENT TO NEW DELHI ON DECEMBER 12, AND A DECISION IS EXPECTED MOMENTARILY, BUT HOWEVER THE FIGHT COMES OUT IT HAS ALREADY SHOWN SOMETHING SIGNIFICANT ABOUT POLITICS IN POST-EMERGENCY INDIA. AS IN OTHER STATES, SANJAY GANDHI--WITH THE POSSIBLE CONCURRENCE OF THE PRIME MINISTER--HAS TRIED TO USE ALREADY EXISTING CONFLICTS WITHIN A STATE CONGRESS PARTY TO OUST A LEADER HE DOES NOT LIKE - PRESUMABLY BECAUSE OF LEFTIST LEANING, BUT ALSO PERHAPS FOR PERSONAL REASONS - AND INSTALL HIS OWN MAN. THE OUTCOME OF THE EVENTS IN WEST BENGAL AND ORISSA WILL SHOW WHETHER THIS POLICY WILL WORK, OR WHETHER IT WILL CREATE MORE CONFLICT AND DISRUPTION.

2. ALTHOUGH EVENTS LEADING TO PRESENT CRISIS BEGAN LAST
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SUMMER, PRECONDITIONS FOR IT GO BACK MUCH FURTHER. IN THE

STATE ELECTIONS OF 1974 CONGRESS WON A PLURALITY, BUT COULD ONLY FORM A MINISTRY WITH THE SUPPORT OF THE SEVEN-MEMBER CPI BLOC IN THE LEGISLATURE. SINCE THEN, AND ESPECIALLY SINCE THE IMPOSITION OF THE EMERGENCY, CONGRESS HAS MANAGED TO WIN OVER EIGHT INDEPENDENT AND BHARATIYA LOK DAL MLA'S, SO THAT IT NOW HAS A ONE-PARTY MAJORITY. IN THE PROCESS, HOWEVER, THE ALREADY FRAGMENTED CONGRESS PARTY HAS BECOME EVEN MORE DIVIDED. THE THREE MAJOR FACTIONS ARE: MRS. SATPATHY'S LEFTIST GROUP WITH MOST OF ITS STRENGTH IN THE LOWLANDS AROUND CUTTACK AND BHUBANESWAR, TRADITIONALISTS SUCH AS UNION DEPUTY DEFENSE MINISTER J.B. PATNAIK AND ORISSA CABINET MINISTER BINAYAK ACHARYA, AND FORMER PRAJA SOCIALISTS SUCH AS B.B. DAS, WHO WAS DROPPED FROM THE CABINET IN A DISPUTE WITH MRS. SATPATHY AS EARLY AS MARCH 1975. MRS. SATPATHY HAS NEVER HAD A VERY SOLID POSITION WITHIN THE ORISSA CONGRESS, AND OWED HER ELEVATION TO THE CHIEF MINISTERSHIP ENTIRELY TO THE SUPPORT OF MRS. GANDHI.

3. IN AUGUST 1976 MRS. SATPATHY, WHO HAD THUS FAR BEEN ABLE TO MAINTAIN HER POSITION AS THE ONLY LINK BETWEEN ORISSA AND MRS. GANDHI, MET HER FIRST SERIOUS CHALLENGE. AT THE APPARENT INSTIGATION OF SANJAY GANDHI, ANTI-SATPATHY LEADERS NIRODE MOHANTY AND RAM CHANDRA DAS WERE INSTALLED AS LEADERS IN A RECONSTITUTED ORISSA YOUTH CONGRESS, SAYING THEY WOULD WORK UNDER THE DIRECT SUPERVISION OF SANJAY AND AMBICA SONI, AND WOULD NOT TAKE ORDERS FROM THE STATE PARTY LEADERSHIP. RUMORS AT THE TIME THAT MRS. SATPATHY MIGHT BE ON THE WAY OUT WERE STRENGTHENED BY EMERGENCE OF J.B. PATNAIK AS LEADER OF ORISSA CONGRESS DISSIDENTS AND THEIR POINT OF CONTACT WITH SANJAY.

4. ANTI-SATPATHY ELEMENTS APPARENTLY CONTINUED TO HOLD MEETINGS AND RALLIES TO DEMAND HER OUSTER, AND ON OCTOBER 19 THREE DISSIDENT LEADERS, INCLUDING ACHARYA REPORTEDLY WENT TO NEW DELHI TO RENEW THEIR DEMAND FOR OUSTER OF CHIEF MINISTER. CAMPAIGN BY BOTH SIDES CONTINUED FROM THEN ON WITHOUT LET UP WITH LEADERS FROM EACH CHARGING THE OTHER WITH DIVIDING CONGRESS AND CREATING INSTABILITY. ANTI-SATPATHY FORCES ALSO ACCUSED HER OF CORRUPTION.

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5. MANY OBSERVERS EXPECTED THAT DECISIONS ON ORISSA AND WEST BENGAL WOULD BE TAKEN AT AICC SESSION IN NOVEMBER, BUT WHEN NOTHING HAPPENED, MRS. SATPATHY APPARENTLY DECIDED TO TAKE THE OFFENSIVE. ON NOV 27 SHE STRIPPED TWO OF HER OPPONENTS WITHIN THE ORISSA CABINET, ACHARYA AND K.C. LENKA, OF THEIR MOST IMPORTANT PORTFOLIOS, WHILE KEEPING THEM IN THE CABINET, AND RAISED FIVE MINISTERS OF STATE, WHO ARE HER SUPPORTERS, TO FULL CABINET RANK. (SOME WEEKS BEFORE SHE HAD REMOVED

ANOTHER HOSTILE MINISTER, LAXMAN MALLIK FOR THE CABINET.) THESE ACTIONS ONLY SERVED TO GALVANIZE THE CHIEF MINISTER'S OPPONENTS, WHO ACCUSED HER OF FLOUTING MRS. GANDHI'S CALLS FOR UNITY. BOTH SIDES HAVE ENGAGED IN STRENUOUS EFFORTS TO WIN SUPPORT FROM CONGRESS MLA'S, AND THERE ARE REPORTS OF STRONG-ARM TACTICS BEING USED BY MRS. SATPATHY'S SUPPORTERS. SOME MLA'S SEEM TO HAVE SIGNED PETITIONS FOR BOTH SIDES, AS THE TOTAL NUMBER OF SIGNATURES CLAIMED BY BOTH EXCEEDS THE NUMBER OF CONGRESS MLA'S.

6. IN THE STRUGGLE THE OPPONENTS OF MRS. SATPATHY HAVE COMPLAINED THAT SHE IS ENCOURAGING CPI INTERFERENCE IN CONGRESS AFFAIRS IN ORISSA, PRESUMABLY TO SHORE UP HER OWN POSITION. IN THE CONTEXT OF A NATION-WIDE CAMPAIGN AGAINST THE CPI ALONG SIMILAR LINES, THE ANTI-SATPATHY FORCES OBVIOUSLY THOUGHT THESE ACCUSATIONS COULD CARRY WEIGHT, ESPECIALLY AGAINST A FORMER MEMBER OF A CPI FRONT.

7. WHEN BOTH THE GOVERNOR AND THE CHIEF MINISTER TRAVELLED TO NEW DELHI OVER THE WEEKEND OF DECEMBER 11-12, THE SIGNS ALL POINTED TO A QUICK RESOLUTION OF THE CRISIS. ONE IS STILL EXPECTED MOMENTARILY ALTHOUGH THE GOVERNOR RETURNED TO BHUBANESWAR WITHOUT MAKING ANY COMMENTS. EVERYONE EXPECTS THAT MRS. SATPATHY WILL BE REMOVED AS CHIEF MINISTER AND PRESIDENT'S RULE DECLARED. MOST PREDICTIONS ARE THAT PRESIDENT'S RULE WILL BE BRIEF--A FEW WEEKS AT THE MOST. WHILE ACHARYA AND J.B. PATNAIK ARE GENERALLY CONSIDERED THE LEADING CANDIDATES FOR CHIEF MINISTER, SOME OBSERVERS SUGGEST THAT MRS. GANDHI MIGHT EVEN TURN TO BIJU PATNAIK, THE LOK DAL LEADER WHO WAS RELEASED FROM JAIL ON OCTOBER 2.

8. SHORTLY AFTER HIS RELEASE FROM PRISON BIJU PATNAIK MADE A REMARKABLE SPEECH IN THE ORISSA STATE ASSEMBLY, CRITIZING
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CHIEF MINISTER SATPATHY, ACCUSING THE CPI OF INFILTRATING CONGRESS AND WELCOMING THE EMERGENCE OF SANJAY. AS REPORTED IN THE INDIAN EXPRESS OF DECEMBER 9, HE ANSWERED AN OBJECTION TO HIS CRITICISM OF THE CPI BY SAYING "IT IS THE VOICE OF SANJAY." WHEN ASKED, "IS IT THE VOICE OF AMERICA," PATNAIK RETORTED, "NO, IT IS THE VOICE OF SANJAY." ALTHOUGH HE IS NOW IN THE OPPOSITION, BIJU PATNAIK WAS FORMERLY CLOSE TO THE NEHRU FAMILY AND IS THE ONE CHIEF MINISTER WHO SEEMS TO HAVE CAPTURED THE IMAGINATION OF ORISSANS. SANJAY MAY WELL SEE HIM AS THE ONE PERSON WITH ENOUGH INFLUENCE TO RUN ORISSA AFTER MRS. SATPATHY'S OUSTER.

9. COMMENT--THE DEVELOPMENTS IN ORISSA SEEM TO BE PART OF THE MOVE BY SANJAY AND HIS SUPPORTERS TO ELIMINATE PRO-CPI ELEMENTS AND OTHER LEFTISTS FROM IMPORTANT POSITIONS IN

CONGRESS. THE DRIVE FIRST GAINED STRENGTH IN WEST BENGAL,
BUT BECAUSE OF THE SUPPLENESS OF CHIEF MINISTER RAY AND
THE GREATER POSSIBILITY OF TROUBLE IN WEST BENGAL, MRS.
SATPATHY NOW SEEMS TO BE THE CHIEF OBJECT OF SANJAY'S ATTEN-
TION. HER OUSTER WOULD BE ANOTHER CLEAR SIGN OF THE EMERGENCE
OF SANJAY AS THE MAJOR FORCE IN INDIAN POLITICS.

LIEBOWITZ

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